Rise in oil prices

4257. SHRIMATI KANIMOZHI:
SHRI GIREESH KUMAR SANGHI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that after presentation of the Budget, the oil prices have risen to a greater extent;

(b) if so, what are the main reasons for the same;

(c) what is the total rise; and

(d) what are the steps being taken by Government to check the rise in oil prices in the country?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) The international oil prices have been on consistent up-trend since 2003-04 onwards. Indian basket of crude oil, which averaged about $ 23/bbl at the time of dismantling of Administered Pricing Mechanism (APM) in March, 2002 and $ 36/bbl in May 2004, averaged about $79.25/bbl during 2007-08. Indian basket of crude oil touched an all time high of $ 112.50/bbl on 28.04.2008. The average price of Indian basket of crude oil for the current year i.e. 2008-09 (upto 28th April, 2008) is $ 105.42/bbl.

The main reasons for current high international oil prices are reported as follows:—

(a) Growth in world oil demand

(b) Decline in spare production capacities

(c) Worldwide refining bottlenecks

(d) Geo-political tensions

(e) Decline in Value of dollar

(f) Speculation in the international oil market

(d) While passing on the entire impact of the steep increase in the international oil prices to the consumers would have resulted in a steep increase in the domestic retail prices, the Government is following the principle of 'Equitable Burden Sharing' under which the burden is shared by all the stakeholders, namely:

Government	—	Issue of Oil Bonds;
Oil companies	—	Upstream/Refinery Discounts;
Consumers	—	Minimal Price Increase.

Despite the steep increase in the international oil prices, the prices of domestic LPG and PDS Kerosene have not been increased since November, 2004 and March, 2002 respectively. The Government has however made a marginal increase in petrol and diesel prices by Rs. 2/litre and Re. 1/litre respectively with effect from 15.2.2008.

Allotment of RO Dealership

4258. SHRI HARISH RAWAT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is aware that Indian Oil Corporation and other Oil PSUs have issued their policy for not allowing any reconstitution of Retail Outlet (RO) dealership after December, 2007;